

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
December 11, 2024**

Mulberry Gardens Family Apartments, located at 2560 Mulberry Street in Riverside on a 2.81 acre site, requested and is being recommended for a reservation of \$4,561,791 in annual federal tax credits and \$48,178,510 of tax-exempt bond cap to finance the new construction of 150 units of housing, consisting of 149 restricted rental units and 1 unrestricted manager's unit. The project will have 73 one-bedroom units, 39 two-bedroom units, and 38 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in April 2025 and be completed in April 2027. The project will be developed by Eden Housing, Inc. and will be located in Senate District 31 and Assembly District 41.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG), Affordable Housing and Sustainable Communities (AHSC), and Local Government Matching Grant (LGMG) programs of HCD and the BUILD program of California Energy Commission (CEC).

**Project Number** CA-24-661

**Project Name** Mulberry Gardens Family Apartments  
Site Address: 2560 Mulberry Street  
Riverside, CA 92501  
County: Riverside  
Census Tract: 301.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$4,561,791	\$0
Recommended:	\$4,561,791	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$48,178,510

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Eden Housing, Inc.  
Contact: Aruna Doddapaneni  
Address: 22645 Grand Street  
Hayward, CA 94541  
Phone: 619-848-7818  
Email: aruna.doddapaneni@edenhousing.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority  
Bond Counsel: Jones Hall, A Professional Law Corporation  
Private Placement Purchaser: Chase Bank

**Development Team**

General Partner(s) or Principal Owner(s): Mulberry Gardens Family LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Eden Housing, Inc  
 Developer: Eden Housing, Inc.  
 Investor/Consultant: Community Economics, Inc.  
 Management Agent: Eden Housing Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 150  
 No. / % of Low Income Units: 149 100.00%  
 Average Targeted Affordability: 45.51%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HOME / HUD Section 8 Project-based Vouchers  
 (37 Units - 25%)

**Information**

Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 State Ceiling Pool: New Construction  
 Set Aside: N/A  
 CDLAC Project Analyst: Jake Salle  
 CTCAC Project Analyst: Jacob Paixao

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	38	26%
40% AMI:	22	15%
50% AMI:	58	39%
60% AMI:	31	21%

**Unit Mix**

73 1-Bedroom Units
39 2-Bedroom Units
38 3-Bedroom Units
<u>150 Total Units</u>

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
10 1 Bedroom	30%	\$576
12 1 Bedroom	30%	\$576
6 1 Bedroom	40%	\$769
5 1 Bedroom	40%	\$769
40 1 Bedroom	50%	\$961
2 2 Bedrooms	30%	\$691
6 2 Bedrooms	30%	\$691
3 2 Bedrooms	40%	\$922
4 2 Bedrooms	40%	\$922
23 2 Bedrooms	60%	\$1,383
2 3 Bedrooms	30%	\$799
6 3 Bedrooms	30%	\$799
4 3 Bedrooms	40%	\$1,066
18 3 Bedrooms	50%	\$1,332
8 3 Bedrooms	60%	\$1,599
1 2 Bedrooms	Manager's Unit	\$0

#### **Project Cost Summary at Application**

Land and Acquisition	\$799,448
Construction Costs	\$62,778,340
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,897,682
Soft Cost Contingency	\$800,000
Relocation	\$0
Architectural/Engineering	\$1,795,821
Const. Interest, Perm. Financing	\$8,724,142
Legal Fees	\$115,000
Reserves	\$802,014
Other Costs	\$3,353,750
Developer Fee	\$8,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$92,566,197</b>

**Residential**

Construction Cost Per Square Foot:	\$538
Per Unit Cost:	\$617,108
Estimated Hard Per Unit Cost:	\$370,988
True Cash Per Unit Cost*:	\$610,441
Bond Allocation Per Unit:	\$321,190
Bond Allocation Per Restricted Rental Unit:	\$323,346

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$48,178,510	Chase: Tax-exempt	\$5,104,000
Chase: Taxable	\$7,931,119	County of Riverside: HOME	\$2,000,000
County of Riverside: HOME	\$2,000,000	City of Riverside: HOME	\$1,154,171
City of Riverside: HOME	\$1,154,171	HCD: AHSC	\$14,000,000
HCD: IIG	\$8,746,488	HCD: IIG	\$8,746,488
HCD: LGMG	\$8,100,000	HCD: LGMG	\$8,100,000
CEC: BUILD Grant	\$648,475	CEC: BUILD Grant	\$648,475
Sponsor Loan: Eden	\$3,000,000	Sponsor Loan: Eden	\$3,000,000
Deferred Costs	\$7,572,014	Deferred Developer Fee	\$1,000,000
Deferred Developer Fee	\$1,000,000	General Partner Equity	\$5,000,000
General Partner Equity	\$100	Solar Tax Credit Equity	\$163,869
Tax Credit Equity	\$4,235,319	Tax Credit Equity	\$43,649,194
		<b>TOTAL</b>	<b>\$92,566,197</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$87,726,751
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$114,044,776
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,561,791
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,500,000
Federal Tax Credit Factor:	\$0.95684

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**CTCAC Significant Information / Additional Conditions:** None.

**CDLAC Analyst Comments:** None.

**Resyndication and Resyndication Transfer Event:** None.

## **Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis, and tax credit amount determined by CTCAC in its final feasibility analysis.

## **CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
<b>Total Points</b>	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

**Tie Breaker:** 113.651%